



Minutes of MAYOR AND COUNCIL Meeting

Approved by Mayor and Council
on January 5, 2010

Date of Meeting: June 2, 2009

The Mayor and Council of the City of Tucson met in regular session in the Mayor and Council Chambers in City Hall, 255 West Alameda Street, Tucson, Arizona, at 4:18 p.m., on Tuesday, June 2, 2009, all members having been notified of the time and place thereof.

1. ROLL CALL

The meeting was called to order by Mayor Walkup and upon roll call, those present and absent were:

Present:

Regina Romero	Vice Mayor, Council Member Ward 1
Rodney Glassman	Council Member Ward 2 (arrived at 8:09 p.m.)
Karin Uhlich	Council Member Ward 3
Shirley C. Scott	Council Member Ward 4
Steve Leal	Council Member Ward 5
Nina J. Trasoff	Council Member Ward 6
Robert E. Walkup	Mayor

Absent/Excused: None

Staff Members Present:

Mike Letcher	City Manager
Michael Rankin	City Attorney
Roger W. Randolph	City Clerk

2. INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by Debra Counseller of the City Clerks Office, after which the Pledge of Allegiance was presented by the entire assembly.

Mayor Walkup asked the City Clerk to make an announcement on the schedule for the rest of the evening, and the purpose for the break in the Regular Mayor and Council agenda.

Roger W. Randolph, City Clerk, announced the Regular Session Meeting would proceed through Item 7, at which time the Mayor and Council would recess to attend the Officer Erik Hite Memorial Service. The regular meeting would reconvene between 7:30 p.m. and 8:00 p.m.

3. MAYOR AND COUNCIL REPORT: SUMMARY OF CURRENT EVENTS

Mayor Walkup announced City Manager's communication number 281, dated June 2, 2009, was received into and made part of the record. He also announced this was the time scheduled to allow members of the Mayor and Council to report on current events and asked if there were any reports.

No report was given.

4. CITY MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

Mayor Walkup announced City Manager's communication number 282, dated June 2, 2009, was received into and made part of the record. He also announced this was the time scheduled to allow the City Manager to report on current events, and asked for that report.

No report was given.

5. LIQUOR LICENSE APPLICATIONS

Mayor Walkup announced City Manager's communication number 283, dated June 2, 2009, was received into and made part of the record. He asked the City Clerk to read the Liquor License Agenda.

b. Liquor License Applications

New License(s)

1. Tucson Indoor Sports Center, Ward 3
1065 W. Grant Rd.
Applicant: David Jonathan Moss
Series 12, City 27-09
Action must be taken by: June 12, 2009

Staff has indicated the applicant is in compliance with city requirements.

2. T6 Filling Station, Ward 6
2500 E. 6th St.
Applicant: Jay Arthur Tolkoff
Series 12, City 28-09
Action must be taken by: June 12, 2009

Staff has indicated the applicant is in compliance with city requirements.

NOTE: State law provides that for a new license application, "In all proceedings before the governing body of a city...the applicant bears the burden of showing that the public convenience requires and that the best interest of the community will be substantially served by the issuance of a license". (A.R.S. Section 4-201)

c. Special Event(s)

NOTE: There are no special event(s) scheduled for this meeting.

d. Agent Change/Acquisition of Control/Restructure

NOTE: There are no agent change(s) scheduled for this meeting.

It was moved by Council Member Scott, duly seconded, to forward liquor license applications 5b1 and 5b2 to the Arizona State Liquor Board with a recommendation for approval.

Council Member Trasoff stated that Jay Tolkoff, the applicant from Ward 6, asked for a few moments to address the Council.

Jay Tolkoff, T6 Filling Station, said in terms of his liquor license application the project had gone on for a while and was in cooperation between him and another party, who stated publicly their application was tied up by the antics of the City. Mr. Tolkoff stated, since taking over sole possession of the business, the City staff he dealt with had done an outstanding job. He commended Ernie Duarte, Development Services Director, Russlyn Wells, and the tax licensing department for their help and cooperation in getting him through the process. He said he wanted the Mayor and Council to know, in spite of what people had said regarding the City being anti-business, that he could not have worked with a more cooperative group of people.

The motion to forward liquor license applications 5b1 and 5b2 to the Arizona State Liquor Board with a recommendation for approval was carried by a voice vote of 6 to 0 (Council Member Glassman absent/excused).

6. CALL TO THE AUDIENCE

Mayor Walkup announced this was the time any member of the public was allowed to address the Mayor and Council on any issue except for items scheduled for a public hearing. Speakers were limited to three-minute presentations.

- a. Clifford Rowley spoke about budget cuts and thanked the Mayor and Council for their support of the Community Outreach Program for the Deaf (COPD).
- b. Carol Harter thanked the Mayor and Council for their support of human services and the Community Outreach Program for the Deaf (COPD).
- c. Roma Vanduzer thanked the Mayor and Council for their support of the Community Outreach Program for the Deaf (COPD).

Mayor Walkup asked the interpreter to let Ms. Vanduzer know that she communicated beautifully and was welcome to come back anytime.

- d. Leo Trujillo thanked the Mayor and Council for their support of the Community Outreach Program for the Deaf (COPD).
- e. David Fossdal, Tan-Tastic Tanning, spoke in opposition of the tax proposal for tanning salons.
- f. Francesca Bissonnette stated she was a retained speaker for Barbara Marx, Heavenly Glow Tanning Salon. She spoke in opposition of the tax proposal for tanning salons.
- g. Lamont Ullrich, Maui Beach Tanning, spoke in opposition of the tax proposal for tanning salons.
- h. Robert Reus spoke about the budget process and asked the City Manager to get a handle on financial liabilities in the City which was costing a great deal of money.

7. CONSENT AGENDA – ITEMS A THROUGH I

Mayor Walkup announced the reports and recommendations from the City Manager on the Consent Agenda were received into and made part of the record. He asked the City Clerk to read the Consent Agenda.

- A. **BOARDS, COMMITTEES, AND COMMISSIONS: AMENDING THE CHAIRPERSON REQUIREMENTS FOR THE COMMISSION ON GAY, LESBIAN, BISEXUAL AND TRANSGENDER ISSUES**
 - 1. Report from City Manager JUN2-09-286 CITY-WIDE
 - 2. Resolution No. 21292 relating to City Boards and Commissions; eliminating the gender requirement of “female and male” for the Co-Chairpersons of the Tucson Commission on Gay, Lesbian, Bisexual and Transgender Issues; replacing a reference to “Chairman” in the Commission’s creating resolution with “Co-Chairpersons”; amending Sections 1 and 4 of Resolution No. 18345; and declaring an emergency.
- B. **INTERGOVERNMENTAL AGREEMENT AMENDMENT: WITH PIMA COUNTY SUPERIOR COURT FOR PROVIDING JURORS TO TUCSON CITY COURT**
 - 1. Report from City Manager JUN2-09-287 CITY-WIDE
 - 2. Resolution No. 21293 relating to Intergovernmental Agreements; approving and authorizing the execution of Amendment #03 to the Intergovernmental Agreement between the Pima County Superior Court and the Tucson City Court for providing jurors to the Tucson City Court; and declaring an emergency.
- C. **ASSURANCE AGREEMENT AND FINAL PLAT: (S08-086) ROCKEFELLER GROUP DISTRIBUTION CENTER, LOTS 1 AND 2**
 - 1. Report from City Manager JUN2-09-288 WARD 5
 - 2. Resolution No. 21294 relating to Planning: authorizing the Mayor to execute an Assurance Agreement securing the completion of improvements in Case No. S08-086 and approving the final plat for the Rockefeller Group Distribution Center, Lots 1 and 2; and declaring an emergency.
 - 3. Staff recommends that the Mayor and Council approve the assurance agreement and the final plat as presented. The applicant is advised that building/occupancy permits are subject to the availability of water/sewer capacity at the time of actual application.

- D. PARKS AND RECREATION: RENAMING THE RANDOLPH TENNIS CENTER TO THE “REFFKIN TENNIS CENTER”
1. Report from City Manager JUN2-09-289 WARD 6
 2. Resolution No. 21295 relating to parks and recreation; authorizing and approving renaming of the Randolph Tennis Center to “Reffkin Tennis Center”; and declaring an emergency.
- E. TRANSPORTATION: AUTHORIZATION FOR THE TRANSPORTATION DEPARTMENT TO SUBMIT FEDERAL TRANSPORTATION ENHANCEMENT PROPOSALS
1. Report from City Manager JUN2-09-290 CITY-WIDE
 2. Resolution No. 21296 relating to Transportation; authorizing and approving the submission of Federal SAFETEA-LU Round 17 Transportation Enhancement Project Proposals by the Department of Transportation for consideration of funding by the Arizona Department of Transportation Review Committee; and declaring an emergency.
- F. APPROVAL OF MINUTES
1. Report from City Manager JUN2-09-291 CITY-WIDE
 2. Approval of minutes for the regular meeting of the Mayor and Council held on January 13, 2009.
- G. FINANCE: SALE OF WATER SYSTEM REVENUE OBLIGATIONS, SERIES 2009
1. Report from City Manager JUN2-09-292 CITY-WIDE
 2. Ordinance No. 10669 an ordinance relating to finance: authorizing the Director of Finance of City of Tucson, Arizona, to cause the sale and execution and delivery pursuant to an obligation indenture of not to exceed \$50,000,000 aggregate principal amount of Water System Revenue Obligations, Series 2009, evidencing proportionate interests of the holders thereof in installment payments of the purchase price to be paid by the City of Tucson, Arizona, pursuant to a Series 2009 City Purchase Agreement; authorizing the completion, execution and delivery with respect thereto of all agreements necessary or appropriate for the refinancing or financing of costs of acquiring improvements and extensions to the Waterworks Plant and System of the City and related financing costs including the delegation to the Director of Finance of certain authority with respect thereto and including with respect to such refinancing authorization of the execution and delivery of a Depository Trust Agreement with respect to certain Bonds to be refunded; authorizing the preparation and delivery of an Official Statement with

respect to such Series 2009 Obligations; ordering the sale of such Series 2009 Obligations; authorizing the execution and delivery of a continuing disclosure undertaking with respect to such Series 2009 Obligations; authorizing the Director of Finance to expend all necessary funds therefore and declaring an emergency.

H. BOARDS, COMMITTEES, AND COMMISSIONS: EXTENDING THE TERM OF SERVICE FOR THE TRANSIT TASK FORCE

1. Report from City Manager JUN2-09-293 CITY-WIDE
2. Resolution No. 21298 relating to Boards and Commissions; amending Resolution No. 21023 to extend the term of the Transit Task Force; and declaring an emergency.

I. FINANCE: COMMUNITY SUPPORT FUND TRANSFER TO GATEWAY BUSINESS ALLIANCE

1. Report from City Manager JUN2-09-300 WARD 3
2. Resolution No. 21300 relating to Finance; approving and authorizing the allocation of One Thousand Two Hundred Eighty Dollars (\$1,280) from the Ward 3 Office Community Support Fund, Account No. 001-183-1898-268, to the Gateway Business Alliance to help support funding the Oracle Area Revitalization Project; and declaring an emergency.

This is a request by Council Member Uhlich. Allocation of funds is as follows:
Council Member Uhlich - \$1,280.00

It was moved by Council Member Leal, duly seconded, that Consent Agenda Items A through I, be passed and adopted and the proper action taken.

Mayor Walkup asked if there was any discussion. Hearing none he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Uhlich, Scott, Leal and Trasoff;
Vice Mayor Romero and Mayor Walkup

Nay: None

Absent/Excused: Council Member Glassman

Consent Agenda Items A through I were declared passed and adopted by a roll call vote of 6 to 0.

Mayor Walkup stated he needed legal counsel from the City Attorney on how to proceed with meeting. The Council acted on items up through the Consent Agenda and had reserved time after the recess for the public hearings. He asked if there were things the Council could do beneficially that were reasonable before recessing.

Michael Rankin, City Attorney, recommended the Mayor and Council recess and reconvene as planned, given that the notice specifically stated the Mayor and Council would recess after Item 7 and then reconvene at a later time. He said this would avoid the potential of anyone saying they expected their item to occur after the Mayor and Council reconvened at 7:30 p.m.

It was moved by Council Member Leal, duly seconded, and carried by a voice vote of 6 to 0 to recess (Council Member Glassman absent/excused.)

RECESS: 4:48 p.m.

RECONVENE: 8:09 p.m.

The meeting was called to order by Mayor Walkup.

Roger W. Randolph, City Clerk, announced Council Member Glassman was unable to be present for the evening's meeting; however he would be participating by telephone. This was allowable under the Mayor and Council Rules and Regulations. He stated Council Member Glassman advised the City Clerk of his location, and assured him that no one else was present with him. Council Member Glassman could vote on all matters in the same way as those members physically present as long as he participated in the discussions. On the evening's agenda, all votes would be done by roll call rather than voice vote.

Upon roll call, those present and absent were:

Present:

Regina Romero	Vice Mayor, Council Member Ward 1
Rodney Glassman	Council Member Ward 2 (Electronic Attendance)
Karin Uhlich	Council Member Ward 3
Shirley C. Scott	Council Member Ward 4
Steve Leal	Council Member Ward 5
Nina J. Trasoff	Council Member Ward 6
Robert E. Walkup	Mayor

Absent/Excused: None

Staff Members Present:

Mike Letcher	City Manager
Michael Rankin	City Attorney
Roger W. Randolph	City Clerk

Mr. Randolph also mentioned, as a point of clarification, the meeting would begin with Item #8 since Item #'s 1-7 were discussed and acted upon before the recess. He said this was consistent with the way the Mayor and Council agenda was posted.

8. PUBLIC HEARING: AMENDING TUCSON CODE (CHAPTER 27), RELATING TO AN INCREASE IN WATER RATES

Mayor Walkup announced City Manager's communication number 297, dated June 2, 2009, was received into and made part of the record. He also announced this was the time and place legally advertised for a public hearing on the proposed increase in water rates. He said the public hearing was scheduled to last for no more than one hour and speakers would be limited to five-minute presentations.

Dick Basye said the City had high water rates and paid ten times more compared to what California paid. To his knowledge the rate increase was to offset the shortfall the

City had in revenues. He commented the Water Department also supplied water outside the City limits. He asked if the City was taxing residents outside the City limits to take care of the shortfall within the City limits. In other words, was the City subjecting them to taxation without representation. He suggested looking into cutting some of the City's payroll. He said about two or three years ago the *Arizona Daily Star* ran a story in relation to the City having over one hundred employees earning over one hundred thousand dollars per year, compared to thirteen people in Albuquerque, a city similar in size and economic situation. He said he asked the Council in the past what they had done to cut back salaries and was told they were working on it. He said what he understood from the City's Payroll Department, was that the City had not gone down, but rather up and was now at two hundred thirty-four employees making over one hundred thousand dollars a year and could not make a slight reduction in payroll for everybody.

Mayor Walkup asked if there was anyone else who wished to speak on the item.

It was moved by Council Member Scott, duly seconded, to close the public hearing.

Mayor Walkup asked if there was any discussion. Hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Glassman, Uhlich, Scott, Leal and Trasoff; Vice Mayor Romero and Mayor Walkup

Nay: None

The motion to close the public hearing was passed by a roll call vote of 7 to 0.

Mayor Walkup asked the City Clerk to read Ordinance 10673 by number and title only.

Ordinance No. 10673 relating to water; amending certain portions of the Tucson Code, Chapter 27, Water, Article II, Rates and Charges; Section 27-32.1, Monthly Reclaimed Water Service Charges; Section 27-33, Monthly Potable Water Service Charges; Section 27-34, Charges for Fire Protection Service; and setting an effective date.

It was moved by Council Member Scott, duly seconded, to pass and adopt Ordinance 10673.

Mayor Walkup asked if there was any discussion. Hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Glassman, Uhlich, Scott, Leal and Trasoff; Vice Mayor Romero and Mayor Walkup

Nay: None

Ordinance 10673 was declared passed and adopted by a roll call vote of 7 to 0.

9. PUBLIC HEARING: AMENDING TUCSON CODE (CHAPTER 15) RELATING TO RESIDENTIAL AND COMMERCIAL ENVIRONMENTAL SERVICES FEES

Mayor Walkup announced City Manager's communication number 298, dated June 2, 2009, was received into and made part of the record. He also announced this was the time and place legally advertised for a public hearing on the proposed residential and commercial environmental service fees. He announced the public hearing was scheduled to last for no more than one hour and speakers were limited to five-minute presentations.

Suzanne Lawder, Goodwill Industries, thanked the Mayor and Council and Environmental Services for the ordinance, stating it had enabled Goodwill to grow from serving seventy-nine people to over six thousand for the year. She said if they counted all of their partners, it would be about fifteen thousand. She said Goodwill was about work and jobs; and the Job Connection Center, which was funded by the recycling program, was getting ninety visits a month to job connection sites helping people get free services and jobs. She said it was now up to six hundred fifty visits a month. She said a lot of what the City did had gone to help in that effort.

Ms. Lawder stated their services had never been needed more or used more than they currently were. She commented Goodwill helped people apply for jobs, who had never used a computer before, had a computer but never applied for a job on-line, did not have a resume in this environment, or could not access all of the job sites. She said what they had done was successfully provide the service free of charge, and were also able to move forward with two hundred twenty employees, some of whom had disabilities. Goodwill had recycled nineteen hundred twenty tons, year to date, and kept it out of the landfills.

Ms. Lawder again thanked the Mayor and Council and Environmental Services and stated they were aware the Council currently had an impossible job along with the entire country, having to make some tough decisions. She stated the Council's job was to do the best they could with the resources they had and Goodwill's job was to let the Council know that without some of the benefits of the program, it would impact their services and jobs. She suggested to the Mayor and Council that Goodwill continue working with Environmental Services over the next six months, because they had done a great job with them.

Donald Tribble said it was one year ago the Mayor and Council had increased fees twenty eight percent, and now they were being increased another three and a half

percent. He said he was originally a residential customer, and although he had not moved, was now considered a commercial customer because of a loophole that made mobile home parks commercial establishments making residents commercial customers. He said Andrew Quigley, Environmental Services Department Director, sent him a letter treating him like he was Sears Roebuck, but actually stepped on a “yellow-jacket nest” and really irritated him. Mr. Tribble commented he was no more a commercial customer than members of the Mayor and Council were. He said he wanted to know why there was going to be another three and a half percent increase, because last year's huge increase was suppose to be “catch-up” for the years there had been no increases. He said he was trying to find some figures or facts on the internet to explain why but did not find anything. He commented what he did find was something on Environmental Services that Tucson Electric Power (TEP) took gas from the landfill and used it to power twenty- four hundred homes per year. He stated TEP was private and wanted to know if they paid the City for that gas. Lastly, Mr. Tribble wanted to know what Environmental Services was doing to reduce costs, get rid of the landfills or at least make them more efficient than they currently were. He said there was a lot of technology available; referring to a study the City did in 2004 on plasma destruction, using plasma arc destruction technology to literally destroy the waste and burn the gas. A number of studies had been done by the Air Force and the Navy; and some of the commercial ocean liners were presently using those systems to burn refuse and dump inert solid waste, using the gas to help cut their own costs on their ships. He said Tucson was a City with approximately five hundred thousand people and hoped we could be as smart as one cruise line.

Roger Watson, Environmental Services Advisory Committee (ESAC), thanked the Mayor and Council for hiring Andrew Quigley as the Environmental Services Director, stating he was a very strong professional in the field of environmental services. He said, at their last meeting, the ESAC voted to support the rate increase and the changes to Chapter 15 concerning refuse and recycling. He stated he wanted to highlight three points. First, the residential rate increase was the first the City had made since the Environmental Services fee was passed in 2004. He said the three and a half percent increase reflected a new method used by the City called, the Western Region Index, which was easier to understand and captured the increased costs for residential services.

The second point, Mr. Watson said, despite the increase, Environmental Services Department had to defer some quality of service goals. He said this meant the City would not be able to purchase all the necessary vehicles needed, hold off on developing the Los Reales Landfill eighty-acre entrance facility, and defer the contributions being made for the Los Reales Landfill closure. He said those were all things that helped increase the quality of service provided by Environmental Services. Mr. Watson said the third point he wanted to make was that the ESAC was pleased to see that staff, with Mr. Quigley's leadership, packaged the increase with no increase to the rate for commercial recycling services. He said the ESAC believed the lower recycling rates would provide incentives to Tucson businesses to aide commercial recycling and felt they could do a lot more. He said they were doing better in commercial recycling and would be nice to get it to fifty percent, but there was still a lot more they could do to increase it. He stated the real opportunity was in commercial recycling and felt there were some

incentives built into the recommendations before the Mayor and Council. He thanked the Mayor and Council for providing the leadership needed for the enterprise fund.

Michael Block, Environmental Services Advisory Committee (ESAC), reiterated ESAC's support of the rate increases, stating they were equitable and uniform for both residential and commercial. He said last year they had to raise the commercial fees to remain competitive with the private entities. The projected revenue from the fees was approximately 2.4 million dollars and as Mr. Watson mentioned, there was a need for improvement of the large aging vehicle fleet where maintenance costs for upkeep accounted for about twenty-one percent of the operating budget. Mr. Block said, as Environmental Services moved forward and replaced vehicles, the operating costs would decrease and hopefully rate increases would be kept lower in the future.

Mr. Block said there had been a drop in revenue both at the landfill because Waste Management now had a transfer station and in recycling due to the market. He stated, the last point he wanted to make was on a personal note, regarding the "not for profit" limitation. Having been an enterprise fund, they had to do something to make an incentive to create waste reduction, which was a viable option to increase revenues and not be severely penalized.

Mayor Walkup asked if there was anyone else who wished to speak on the subject.

It was moved by Council Member Trasoff, duly seconded, to close the public hearing.

Mayor Walkup asked if there was any discussion. Hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Glassman, Uhlich, Scott, Leal and Trasoff; Vice Mayor Romero and Mayor Walkup

Nay: None

The motion to close the public hearing was passed by a roll call vote of 7 to 0.

Mayor Walkup asked the City Clerk to read Ordinance 10674 by number and title only.

Ordinance No. 10674 Relating to Environmental Services; Amending Chapter 15 of the Tucson City Code; amending Definitions; amending Capacity Standards for Refuse Containers; amending Parameters for Brush/Bulky Service; clarifying Assisted Collection Service; amending Neighborhood Cleanup Service; adding fees for Violations of Recycling Requirements; allowing director to require deposits for Starting Service; clarifying billing procedures; raising Residential Collection Service Fees; raising Commercial Collection Service Fees; amending Disposal Services Fee Schedule; and Limiting Non-Profit Fee Exemption by amending Tucson Code Sections 15-1, 15-10.1, 15-16.1, 15-16.3, 15-16.4, 15-16.6, 15-16.8, 15-31.1, 15-31.2, 15-32, 15-32.1, 15-32.2, 15-32.4, 15-32.5, 15-33.2, 15-33.3, 15-34.2, 15-34.3, 15-34.5, 15-34.7, 15-34.8 and 15-35; and setting an effective date.

Council Member Leal said he worked with Andrew Quigley and his staff on this issue and found them to be very thoughtful, analytical, and caring. Environmental Services brought those two variables to bear on reforming the package before the Mayor and Council. He said he was supportive of what staff came up with and there were some increases, but those increases could have been a lot higher had it not been for all the saving mechanisms found by Mr. Quigley and his staff.

It was moved by Council Member Leal, duly seconded, to pass and adopt Ordinance 10674.

Mayor Walkup asked if there was any discussion.

Before asking for a roll call, Mayor Walkup commented on the question regarding plasma incinerators and said he had done some studying on the concept and that in Europe; they had quite a number of them. Mayor Walkup said what the City needed to do was to continue to expand recycling rates so there was a smaller quantity of green materials eligible for the plasma furnaces. He said the plasma furnaces worked efficiently, but the City had to continue expanding recycling rates within the community. He said he thought the City would eventually get to the point where plasma incineration might be a viable alternative.

Upon roll call, the results were:

Aye: Council Members Glassman, Uhlich, Scott, Leal and Trasoff; Vice Mayor Romero and Mayor Walkup

Nay: None

Ordinance 10674 was declared passed and adopted by a roll call vote of 7 to 0.

10. PUBLIC HEARING: AMENDING TUCSON CODE (CHAPTER 2) RELATING TO A TRANSIT FARE INCREASE

Mayor Walkup announced City Manager's communication number 294, dated June 2, 2009, was received into and made part of the record. He also announced it this was the time and place legally advertised for a public hearing on the proposed transit fare increase. He said before beginning the public hearing, staff wanted to give a brief presentation.

Jim Glock, Transportation Director, stated on July 8, 2008, the Mayor and Council approved the establishment of a seven member Transit Task Force (TTF) with the goal of evaluating the status of the City's mass transit fund and to potentially recommend a fare increase. He said over a period of approximately six months, members of the TTF met ten times to review the transit systems' finances, expenditures and ridership; and deliberated on a new fare structure. He recognized the members of TTF; Anton Russel, Chair and Ward 2 representative; Tim Sultan, Mayor's representative; Peggy Hutchison, Ward 1 representative; Carolyn Campbell, Ward 3 representative; Patrick Kass, Ward 4 representative; Eugene Caywood, Ward 5 representative; and Raquel Goodrich, Ward 6 representative, for their hard work and willingness to tackle such a complex assignment.

Mr. Glock said on February 4, 2009, the TTF recommended an increase in Sun Tran fares. He said the one full, one-way cash fare increased from one dollar to one dollar and twenty five cents; the day pass increased from two to three dollars; and the express services increased from one dollar to one dollar and fifty cents, excluding those fares which were currently higher, involving the fares for the Aero Park Express. He stated the monthly passes were increased proportionately and noted the economy fares did not change. The full fares for Sun Van, formerly Van Tran, were recommended to increase from two dollars to two dollars and fifty cents, with no increase in the Sun Van economy fares.

Mr. Glock said, based in part on the recommendations from the TTF on April 28, 2009, the Mayor and Council directed the Transportation Department to proceed with the public hearing to consider a transit fare increase. On May 3, 2009, the public notice was published in the *Arizona Daily Star*, indicating the recommended fare implementation date was to be August 10, 2009, which coincided with the publication of the fall Ride Guide. Public comment had been relatively light on the proposed fare increase, with the most significant input relating to the desire for any additional revenue to be returned to help support the system overall. Mr. Glock said one concern related to the August 10th start date, and the complication it caused with respect to monthly and semester pass sales. He said, with that in mind, should the Mayor and Council consider adopting the proposed ordinance, staff respectfully requested that the implementation date be moved to August 1, 2009.

Mayor Walkup announced the public hearing was scheduled to last for no more than one hour and speakers were limited to five-minute presentations.

Antol Russel, Transit Task Force Chair, echoed Mr. Glock's comments. He said the members of the TTF were a great team of representatives who had a lot of great ideas. He stated he was glad the Mayor and Council had filed for an extension of the TTF, so that the TTF they could continue to discuss the long-term goals. Mr. Russell stated he supported the report one hundred percent and it was never a question of whether or not the rate increase was necessary, but more along the lines of what type of rate increase. He said both the economy and express fares were issues the TTF was hung up on and went back and forth with, and was the reason they asked for an extension. He said the TTF wanted more time to probe the numbers to figure out how the fares would affect ridership.

Mr. Russel said the TTF ultimately made a decision based upon the amount of passengers they would be able to retain; and it would eliminate a certain amount of revenue that could have also been collected. He said he hoped that with a little more direction from the Mayor and Council, they would be able to bring back a recommendation for a rate increase that would be more fitting for the community as a whole, especially along the lines with the City Manager's plan, considering general fund monies. He thanked the Mayor and Council for giving him the opportunity to serve on the TTF and stated he had learned a lot.

Andy Castaneda commented it had been a long time since Sun Tran had a fare increase in Tucson, and it was unfortunate that it came at a time when the economy made it very difficult for some people to bear. He added that in looking at the economy fares which were set up, those individuals who were in the greatest need of some relief would be getting that relief with the proposed plan. He said his only objection was with the day pass. He stated everything else was fairly proportionate except when you looked at the day pass it was a fifty-percent increase, from two to three dollars. He said if the City wanted to be fair, they should consider an equal and proportionate increase by increasing the day pass from two dollars to two dollars and fifty cents, not three dollars.

Mr. Castaneda said a great benefit the City and County had was the Regional Transportation Authority bonding. He said Sun Tran's image had improved greatly and so had the services. He said there were some places where the availability of hours needed to be increased and extended. He stated he heard there was a seventeen percent increase in rider usage, and said that would increase more due to the rising gas prices. He said it would be a while before General Motors and Chrysler would be able to provide electric cars; but as stockholders of these companies, there should be a push to get those benefits to the cities.

Mr. Castaneda also brought up another project related to transportation, which was the electric train from the University of Arizona to the Rio Nuevo Project. He said he thought that needed to be looked at, when looking at the overall scope of costs. He said he felt the technology being provided was still from the dark ages and urged the Mayor and Council to look at real modern age technology. He said he knew the Mayor was aware of technology and what was available to the City. He stated, with Raytheon, the University of Arizona who was currently working on a ninety percent efficient solar

panel project, and other industries, the City needed to take another look at the one transportation system they wanted to get involved and engaged in.

Mr. Castaneda said the community would use the transportation system however it was set up, under Sun Tran or the way it was set up in Phoenix. He said he had the opportunity to ride the system in Phoenix and it was marvelous, but it covered a lot of real estate unlike the one Tucson was proposing. He said he thought the City was spending approximately seventy-five million dollars for four miles. He urged the Mayor and Council to consider two dollars and fifty cents instead of the three-dollar fare for the day pass.

Stephen Moore expressed his condolences to the family of Officer Hite and stated his next statement, in no way, reflected anything negative against Officer Hite. He asked why the public was not informed of the change in the meeting time, as Officer Hite was killed a year ago and the memorial had been planned for quite some time. Even if the public had been informed, he wanted to know why Sun Tran was handing out flyers with the meeting time as 5:30 p.m. He said within a five minute time span, he watched four people elect to leave the meeting instead of staying, probably for the same reason he should have left so as not to miss the last bus and possibly have to walk four miles to get home.

Mr. Moore said he had four areas of concern regarding the proposed fare increases. First, the proposal did not address safety. Many stops were unsheltered and unlit. He said there was no police presence after dark at any of the three City centers. He said he spoke with an employee of Attention Transit Advertising, the people responsible for building the bus stops in Pima County. He said it would be easy to adapt bus stops to have phone call centers, which could not be tampered with, where someone could get information on bus schedules or be immediately connected to the police department in case of an emergency. He commented he had lost seven teeth, five cell phones and three wallets while waiting for a bus at the bus stop.

Mr. Moore stated his second area of concern was the fare schedules. He suggested that the City eliminate the non-profit rights totally. He said he was a low-income economy fare rider and purchased monthly passes. He stated every time he did not buy a monthly passes, he paid fifty cents for the ride. It was easier for him to carry around two quarters and pay fifty cents rather than the carrying the exact change of forty cents. He suggested the economy fare should be increased to fifty cents, and the regular fare remain at one dollar. Mr. Moore said the only area where ridership could be increased was with the regular fare riders, stating the economy fare riders would continue to use the bus, because they did not have the money to maintain a vehicle. He said if the City wanted to increase revenue, to leave that the same because ridership had already increased by an average of ten percent a year.

Mr. Moore's third area of concern was that the City should sell the bus booklets for a dollar instead of handing out thousands and thousands of them and filling up the landfills, causing the additional tonnage. He spoke about the route plan, and said there

were too many overlapping routes. For example, Routes 10 and 16 from Miracle Mile all the way to the Ronstadt Center ran right behind each other. Riders could get on either route and follow the same pathway. He said if one of those routes was re-routed to come down Flowing Wells, the route could easily follow that track, pick up a lot more ridership and pass right by a food bank. He stated there were too many black areas where individuals in heavy residential areas had to walk over a mile to catch the next bus. He gave other examples of routes that overlapped.

Lastly, Mr. Moore said more communication was needed. He reiterated his suggestion in regards to selling the bus booklets for a dollar and alleviating the landfills. He also suggested, to obtain some additional revenue, the City should advertise on the banners that list routes. He urged the Council to compile a panel of bus riders to consult with regarding bus routes, customer service, bus drivers, and management.

Daryl Peterson said he was an avid bus rider, and wanted to speak about the transportation system and proposed fare increases. He said he was looking for better transportation, but seemed to be paying more for transportation, yet not getting any better transportation. Riders could not get from the eastside to the airport by 4:00 in the morning. Those individuals who had to get to work at that time of the morning were mostly dependent on the bus system and had to take the long way around town to get to there. He said he did not have a problem with the City raising the fare, but had a problem with the City raising the fare a whole dollar, instead of fifty cents.

Mr. Peterson asked how many persons on the Council were not from the State of Arizona, stating that not being from Arizona, those persons had a big problem. He said Tucson was supposed to be a city, but it was more like a town because it was not progressing the way a city should, commenting no one was making any money in Tucson. He said Tucson could not stay like that; a town must be able to expand. If the Council did not find a way for the City to expand, the Council would be facing a crisis. He added Tucson could not compete against Phoenix.

Mr. Peterson said instead of the City looking for ways to make money, the City always went to the people to make money, forcing the people to pay more money to the City. He commented the town was not moving forward, it was stuck in a war. He said there were a few ways the City could do that, but it was not be up to him to tell the Council how to go about it. He hoped the Mayor and Council paid attention to the people. He said fifty cents was not bad, but the bus system was in disarray, bus riders could not get to certain places, the busses did not run late enough, and quit running too early. He asked why bus riders were paying for a bus system that was not working. Mr. Peterson commented on the bus system in Los Angeles, stating it was quite a bit larger than Tucson, yet they had the best transportation system in the world.

Mr. Peterson concluded his comments stating that even though Tucson had to make money, there were other ways besides taking it from the people. He stated some members on the Council had been serving in their positions a number of years, and had been taking money from the people for a long time. He said every time the Council ran

into problems with money, they took it from the people by increasing rates. He said the Mayor and Council lacked imagination and needed to do a better job.

Mayor Walkup asked if there was anyone else who wished to speak on the item.

It was moved by Council Member Scott, duly seconded, to close the public hearing.

Mayor Walkup asked if there was any discussion. Hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Glassman, Uhlich, Scott, Leal and Trasoff; Vice Mayor Romero and Mayor Walkup

Nay: None

The motion to close the public hearing was passed by a roll call vote of 7 to 0.

Mayor Walkup asked the City Clerk to read Ordinance 10672 by number and title only.

Ordinance No. 10672 relating to mass transportation; Department of Transportation; amending the Tucson Code, Chapter 2, Administration, Article I; In General, Section 2-18, related to Sun Tran System, by amending Regular fare, eliminating annual pass, amending day pass, eliminating charter rates, amending Shuttle Program, amending Pima College Pass; amending Section 2-19, related to Paratransit Service System, by amending Regular fare; amending Section 2-22, related to Sun Tran and Paratransit Service Systems Fare Subsidy Program for Low-Income individuals, by amending Sun Tran System Economy Fare Subsidy, amending Paratransit Service Economy Fare Subsidy, amending eligibility for passes obtained through nonprofit agencies; and setting an effective date.

It was moved by Vice Mayor Romero, duly seconded, to pass and adopt Ordinance 10672.

Mayor Walkup asked if there was any discussion.

Council Member Uhlich said she wanted to note for the record once again that this was a decision that had been under consideration for a year. She said she thought the Mayor and Council wisely postponed raising the bus fare fees until they could assure the public that the funds from the increase would in fact be reinvested in the transit service. She said the funds would not be used to balance the City's budget, because riders were expecting improvements in services and the system had become important to the entire community, for cleaner air, lower congestion and longer life of the roadways and

countless benefits that everyone would enjoy because of improved transit systems. She said she would be supporting the fare increase after a year's worth of hard work and dialogue and appreciated staff and especially the City Manager for helping to bring transparency to the decision.

Council Member Trasoff said she too would be supporting the fare increase. She said the citizens put in yeomen's tasks in coming up with some recommendations and felt it behooved the Council to follow them. She said she knew they had considered a lot of the issues that were raised during the public hearing and came up with the recommendations. She said she wanted to ask Mr. Glock about the one question that was raised and before moving forward if the TTF had looked into the issue of bus safety and was there some mechanism that could be used to have a call button, or some way to contact the authorities in case of an emergency. She said she hoped the TTF continued and that safety was one of the issues they looked at.

Council Member Leal asked what the percentage of economy riders was.

Mr. Glock said thirty-eight percent of the ridership was taking advantage of the economy program, via the non-profits, cash fares or the monthly pass.

Council Member Leal said he knew the City made some changes regarding the ease of availability of monthly passes by selling them at the transit centers, and felt that was an improvement. He said he had heard from a number of people, and many of them did not have the means to have that much money at once to purchase a monthly pass. Those who could not afford monthly passes were therefore stuck in a cycle of paying the regular rates. He said it was not until he met with senior citizens when the Mayor and Council were considering the garbage fee and they explained they could not afford fourteen dollars, that he fully understand how hard it was for some people to get what seemed like an insignificant amount of money together.

Council Member Leal said also brought up the functionality of the system. He said the City had theoretically spoken about having a twenty-five percent fare box recovery, and it was either nineteen or twenty-one percent, depending on what numbers they were willing to consider. If the Mayor and Council considered the advertising money and excluded the express routes, it would be more like twenty-one percent. He said some thought that if it made sense to have an average fare box recovery; it made sense to have a minimum fare box recovery. He said staff often came forward stating they had an idea for a route and wanted to try it. No one wants to rain on their parade, so the Council says to give it a try. What the Council does not say is that within three years if staff is unable to get a minimum fare box recovery of six, eight, or ten percent, to drop that route and take those monies used to start what everyone thought was a comer and put it towards the route that stopped at 6:00 p.m., but should run until 10:00 p.m. so that the nurses from the second shift can get home or start earlier in the morning. He said he knew some of those routes were feeder routes, but not all if they were feeder routes; and if they were feeder routes, a smaller shuttle like the TICET Bus should be used.

Council Member Leal said to truly explain the minimum fare box recovery to people, the story regarding Route 200 could be used. He said Route 200 ran from the University of Arizona to downtown. The cost per rider was thirteen dollars and eighty-two cents per mile per person. It had about a two and a half to three percent fare box recovery. Council Member Leal said that was what he was talking about and believed there were things like that which he referred to as underlying contradictions, that needed to be fixed. He said before the City puts money on top of that to make the system work and in spite of having those underlying contradictions, the City had a great opportunity. The energy crisis was providing the City with ridership that should help morph and evolve the alternate mode of Sun Tran quicker. He said he thought there were resources available by finding true internal efficiencies, and morally felt it should be done before asking people for more money. He stated felt it inappropriate to ask people for more money before taking a hard look.

Council Member Glassman commented that last June, when the original Citizens' Committee recommended a rate increase similar to this one, he was supportive of it then. He said the Mayor and Council consistently talked about the need to support the transit system to ensure the City had the best system possible. Since he was elected nearly two years ago, the rates had not been adjusted for far too long. He said if the City was going to have a bus system that was rider friendly and the kind of system Tucsonans could actually use, the City had to continue investing. He congratulated the Mayor and Council and the TTF for coming to a similar conclusion and said he was thrilled to be moving the item forward and finally beginning to put the investment towards working families.

Vice Mayor Romero reiterated that the process and conversations started a year ago, and at that time, she did not feel confident that all the information was being shared with the Mayor and Council and the community. She said after a year's dialogue she now felt comfortable that the City had done a fair and thoughtful process. She said she felt it was important that the conversations were held and appreciated the speaker's comments regarding the inclusion of bus riders, drivers and management in the conversations, and continued dialogue with the Mayor and Council. She said she felt comfortable the fare increases were going to go back into the system and would not have supported something otherwise. She said even though everyone was faced with harsh economic times, if the City was asking bus riders to invest more money into the system, it should stay in the system.

Vice Mayor Romero said that was the reason she was supporting the fare increase, but hoped the conversations did not end and urged the Council to continue conversations with the TTF, the Citizen's Transportation Advisory Committee, the Sun Tran system itself, the managers of the system, the drivers, and the riders. She thanked everyone for their hard work, and also thanked the Mr. Glock and Mr. Letcher for bringing the item before the Mayor and Council with so much public input.

Council Member Scott thanked the gentleman from the eastside for coming to the meeting stating there was still an unmet need to expand services to that part of town and

other parts of the City. She said this was something she had been speaking about for approximately fourteen years.

Mayor Walkup asked, in general terms, what the growth rate was for the bus system over the past year.

Mr. Glock replied he believed a year to date comparison over last year was over a fourteen percent increase in ridership. He said the City had sustained double digit increases in ridership for the past three years. A lot of that had to do with the investment the City was able to make to the system as a result of the Regional Transportation Authority. He said there were later evening hours, more frequent service on the weekends; and as soon as the bus storage and maintenance facility was completed and fleet size was increased, there would be more frequent service and extended service limits, as well.

Mayor Walkup said he was very mindful of the downtown express busses, and ridership appeared to be good. He asked Mr. Glock how he characterized how the City was doing in regards to the new express routes from the far east and northwest sides.

Mr. Glock replied the express ridership, especially from the northwest side, had been extraordinarily high. The City captured quite a few riders when the price of gasoline was pushing four dollars. He said what was interesting was that they kept those riders, even as the price of gas dropped. He said once riders made that choice to ride the bus, they were in a position to adapt their lifestyle to enjoy the choices offered. Mr. Glock stated, as he and Council Member Leal debated for over two decades about fare box recovery, based on service type, it was something they would return to the TTF with. Mr. Glock asked if Vice Mayor Romero would consider in her motion an August 1, 2009, implementation date, instead of August 10, 2009, stating it would simplify the pass sales with the non-profits and many of the partners they had.

Vice Mayor Romero accepted the change.

Mayor Walkup asked for a roll call vote on the motion.

Roger W. Randolph, City Clerk, clarified the motion was to pass and adopt Ordinance 10672, with an amended effective date of August 1, 2009.

Upon roll call, the results were:

Aye: Council Members Glassman, Uhlich, Scott, and Trasoff;
Vice Mayor Romero and Mayor Walkup

Nay: Council Member Leal

The motion to pass and adopt Ordinance 10672, with an amended effective date of August 1, 2009, was declared passed and adopted by a roll call vote of 6 to 1.

11. PUBLIC HEARING: FEDERAL TRANSIT ADMINISTRATION SECTION 5307 GRANT APPLICATION FOR FEDERAL FISCAL YEAR 2009

Mayor Walkup announced City Manager's communication number 295, dated June 2, 2009, was received into and made part of the record. He also announced it was the time and place legally advertised for a public hearing on a Federal grant submittal. The City of Tucson was submitting a grant application to receive the City of Tucson's allocation as published in the Federal Register. He stated before beginning the public hearing, staff wanted to give a brief presentation.

Jim Glock, Transportation Director, stated the grant application was for preventive maintenance for the transit system. He said it would allow the City to maintain operations without the need to cut services by shifting the grant funds toward preventive maintenance activity, which had been funded out of the general fund support of the mass transit fund. He said there was still a requirement under the 5307 Program for one percent of the grant receipts to go towards transit security and one percent to go towards transit enhancements to improve the *American with Disabilities Act (ADA)* accessibility of the system.

Mayor Walkup announced the public hearing was scheduled to last for no more than one hour and speakers were limited to five-minute presentations. He asked if there was anyone who wished to speak on the subject.

It was moved by Council Member Trasoff, duly seconded, to close the public hearing.

Mayor Walkup asked if there was any discussion. Hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Glassman, Uhlich, Scott, Leal and Trasoff; Vice Mayor Romero and Mayor Walkup

Nay: None

The motion to close the public hearing was passed by a roll call vote of 7 to 0.

Mayor Walkup asked the City Clerk to read Resolution 21299 by number and title only.

Resolution No. 21299 relating to transportation; authorizing and approving the submission of a Federal Transit Administration (FTA), Section 5307 Grant application for Federal Fiscal Year 2009, FTA Grant AZ-90-X001 in the amount of \$7,205,984; and declaring an emergency.

It was moved by Council Member Uhlich, duly seconded, to pass and adopt Resolution 21299.

Mayor Walkup asked if there was any discussion. Hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Glassman, Uhlich, Scott, Leal and Trasoff; Vice Mayor Romero and Mayor Walkup

Nay: None

Resolution 21299 was declared passed and adopted by a roll call vote of 7 to 0.

12. TUCSON CODE: ADOPTION OF THE ANNUAL COMPENSATION PLAN FOR EMPLOYEES OF THE CITY OF TUCSON

Mayor Walkup announced City Manager's communication number 299, dated June 2, 2009, was received into and made part of the record. He asked the City Clerk to read Ordinance 10675 by number and title only.

Ordinance No. 10675 relating to compensation plan; Tucson Code Chapter 10, Civil Service--Human Resources, Article II, Compensation Plan, Section 10-31, adopting Salary Schedules for Fiscal Year 2010; implementing Section 10-31; Ratifying, Reaffirming and Reenacting Sections 10-31(7), providing percentages for Calculation of Compensation from Salary Schedules for Employees in Specified Assignment Positions; Section 10-33, Language Communication Compensation; Section 10-33.1, Proficiency Pay for Commissioned Police Personnel Certified as Bilingual Users of American Sign Language (ASL) or Spanish; Section 10-34, Incentive Pay for Fire Prevention Inspectors; Section 10-35, Fire Battalion Chief Call Back Shift Pay; Section 10-48, Supplement to Military Pay; Section 10-49, Holiday and BOI Pay for Commissioned Officers of the Tucson Police Department of the Position of Lieutenant and Assignment Positions of Captain and Assistant Chief; Section 10-52, Longevity Compensation Plan; Section 10-53, Pipeline Protection Program; Compensation; Section 10-53.2, Maintenance Management Program, Assignment and Incentive Pay Compensation; Section 10-53.3, Career Enhancement Program (CEP) Incentive Pay for Commissioned Police Personnel through Rank of Captain; Section 10-53.4, Additional Compensation for Certain Public Safety Command Staff; and Section 10-53.5, Honor Guard Assignment Pay for Fire Commissioned Personnel; Amending Section 10-34.1, Assignment and Incentive Pay for Maintaining Paramedic Certification and Working as Paramedics; and Section 10-53.1, Permanent and Probationary City Civil Service Employees and Elected Officials and Appointed Employees Downtown Allowance; Repealing Section 10-53.7, Additional Compensation in Place of Clothing Allowance; all as Part of implementation of the Annual Compensation Plan for Fiscal Year 2010; and declaring an emergency.

It was moved by Council Member Trasoff, duly seconded, to pass and adopt Ordinance 10675.

Mayor Walkup asked if there was any discussion.

Council Member Leal said, in reviewing the item, he could not find what the total cost was for the Plan and had approached the City Manager to help him understand what he was voting on.

Cindy Bezaury, Human Resources Director, said this was reaffirmation of existing provisions of the Compensation Plan and did not represent any increase in cost.

Council Member Leal asked for his clarification if there were no additions to the burden of the budget.

Ms. Bezaury said, if the savings from the furlough days and the freezes represented in the budget were added, it would represent a 5.7 million dollar savings to the general fund. She added she did not have an exact number for the enterprise funds.

Council Member Leal asked if it was mentioned anywhere in the Mayor and Council's material that there would be no additional cost for the reaffirmation of existing provisions of the Plan.

Ms. Bezaury replied she believed the material stated this was a reaffirmation of existing provisions of the code.

Council Member Leal said he understood the item was for reaffirmation of the Plan, but for future items, it would be helpful to the Mayor and Council if the Communication was more detailed. He referred to a conversation he had with the City Manager several months ago, about a lease for a new clinic that was to be built, where he was able to get the clinic to agree to pay their utilities, janitorial, and maintenance costs. Council Member Leal said when the lease was brought to the Mayor and Council, he read it, and none of the language regarding the agreement was on the Communication. He brought it to staff's attention and was advised that they did not put that level of detail in the Mayor and Council Communications. He said he replied that the Mayor and Council needed to know what they were voting for; if there was a cost, they needed to know; and if there was no cost, a reminder to that affect should be made, so that the Mayor and Council could have a comfort level that there was no uncertainty when voting.

Mayor Walkup asked if there was any further discussion. Hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Glassman, Uhlich, Scott, Leal, and Trasoff; Vice Mayor Romero and Mayor Walkup

Nay: None

Ordinance 10675 was declared passed and adopted by a roll call vote of 7 to 0.

13. FINANCE: TENTATIVE ADOPTION OF FISCAL YEAR 2010 BUDGET

Mayor Walkup announced City Manager's communication number 285, dated June 2, 2009, was received into and made part of the record. He asked the City Clerk to read Resolution 21291 by number and title only.

Resolution No. 21291 relating to finance; adopting a tentative budget for the 2010 Fiscal Year and fixing times and places, confirming time and place to conduct a truth in taxation public hearing and to conduct a public hearing on said budget, to adopt the final budget in a special meeting, to fix time and place to determine the primary and secondary tax levies for said Fiscal Year.

Vice Mayor Romero stated before making a motion to adopt the resolution, she wanted to invite Richard DeBernardis from El Tour de Tucson to speak. She said she made a mistake, thinking the item was a public hearing, and invited him to speak on the item since he had missed the Call to the Audience.

Richard DeBernardis, El Tour de Tucson, said he sent an email to the Mayor and Council and the City Manager. He said he felt it was important as he heard a lot about fairness and about having all of the information, before making a decision. He commented that in 2007, the cost for El Tour de Tucson to hire the Tucson Police Department (TPD) was sixteen thousand dollars and in 2008, the cost was thirty-one thousand dollars. He said in 2009, after discussions with TPD, the cost would be forty-five thousand dollars; and now the Mayor and Council were suggesting El Tour de Tucson to make further cuts to their budget.

Mr. DeBernardis asked the Mayor and Council to either have them make the cuts or pay the high fees for TPD, but not both. During the last two years, fees to TPD had increased one hundred eighty percent. He said the reason being, in order to fill all of the positions for El Tour de Tucson, they had to hire police officers not as a sub-contracting fee with TPD, but rather hire in-house through TPD at a rate of time and a half. He said he was all for the police and would like to pay them triple time and a half if he could but looking to the future, after two years, the expense just for TPD was a one hundred eighty percent increase almost to the point of ridiculousness and/or maybe even extortion. He said the problem was, if the City of Tucson cut their funds, so would the Town of Oro Valley and Pima County. He asked the Mayor and Council to look at the budget in a fair way before making a decision. He said El Tour de Tucson would take the cutback from

twenty-seven thousand to twenty-two thousand dollars, but urged the Mayor and Council not to raise the rate for police; or vice versa, they could pay the rate for the police, but not have their funding cut.

Vice Mayor Romero said the tentative budget adoption came with a lot of work attached. She said it was difficult and they looked at it every way they could to be able to save the core services for the City. She commented the Mayor and Council and City staff had done a lot of work and the budget reflected equal pain all the way around, from departments, employees, residents, and non-profits adding, putting back to the budget. She said it was important to note that a lot of work had been done to reach this point.

It was moved by Vice Mayor Romero, duly seconded, to pass and adopt Resolution 21291.

Mayor Walkup asked if there was any discussion.

Council Member Trasoff said she wanted to say a few words regarding some comments made during the Call to the Audience. She said she had empathy for the people from the tanning salons, because it was one industry, which had a rate increase; and she was uncomfortable with having singled out, in essence, one area. She stated, in the end, the City would receive approximately fifteen thousand dollars in revenue, which was not an insignificant, yet not a major amount of money. She said she was not going to ask that it be removed, but wanted to comment she was uncomfortable with that. She said valid points were raised about one industry being singled out. She asked, as the next year's budget process began, that the how's, why's, and what should be done be looked at.

Council Member Uhlich asked the City Manager to address the point brought up by Council Member Trasoff as they moved forward towards adopting the budget.

Mike Letcher, City Manager, stated the FY 2010 Budget set the cap on the budget in terms of the tentative adoption. He said, if in fact, the Mayor and Council wanted to make any adjustments to the questions regarding the tanning salons, and remove it from the budget, the adjustments would have to be made at the table. He said he thought it would have to be denied, but then stated it could be either because the item that evening was to set the maximum for the budget. The Mayor and Council could always reduce, not increase the budget. He said the Mayor and Council had a week to think about it before making a decision.

Council Member Uhlich stated another point in terms of follow-up was that she wanted to note there had been an announcement made about the City's inability to underwrite the Fourth of July festivities. She said it pointed to the fact the City was definitely hoping and seeking private partnerships, not only with critical events like the El Tour de Tucson, but also for events as fundamental and important to the community as the Fourth of July celebration. She said she wanted it noted because she felt the City was

asking for private partners to help support the continuation of these important events which economically benefited the City and community and had great meaning to everyone. She asked if staff knew what the cost was for the Fourth of July festivities, which had been suspended.

Richard Miranda, Deputy City Manager, replied he had calculated those figures separately by event. He said the El Tour de Tucson the cost was about seventeen thousand dollars, including security and set up. For the Fourth of July Celebration, including the activities scheduled at the Tucson Convention Center, was approximately thirty to thirty-four thousand dollars. The fireworks alone, if the City were to purchase them, was somewhere around twenty-five thousand. He said in looking at the entire day, the cost was approximately somewhere between fifty and fifty-five thousand dollars for the Fourth of July event.

Council Member Uhlich thanked staff and said cuts had to be made that no one on the Council wanted to make. She said she was hopeful there would be opportunities where private partners would come forward to ensure the events and important civic gatherings could continue.

Council Member Leal said he was grateful to Council Member Trasoff for two reasons; one for bringing up the issue with the tanning salons to better understand how and why, and second for the capacity question. He said he worked with Fred Gray, Parks and Recreation Department Director and Mr. Letcher regarding changes in some contracts, to see if some groups could pay the City a greater share of their cost. He said that would give the City the ability to reconstitute the Parks and Recreation hours that were cut. He asked if they were successful, was that something that had to be built in to the capacity of the budget before the next week when the budget would be finalized.

Mr. Letcher stated, although this was not a grant, there was capacity in the budget for grants, some of which the City would not receive that allowed for some “wiggle room” and stated not to worry about it. He asked for clarification regarding the tanning salons and said it was his understanding that if, in fact, the Mayor and Council felt they wanted to take out the tanning salons as a source of revenue from the budget that they do it that evening.

Michael Rankin, City Attorney, said if the Mayor and Council made a decision on the tanning salons; it was easier and cleaner to do it that evening, so it could be incorporated into the final budget when it was brought back. He said the decision could be made next week, but suggested they not wait so they were not at the table making adjustments on the final budget.

Council Member Trasoff said she was concerned because of what appeared to be an inequity. She said the Mayor and Council addressed a similar issue when they did not support the rental tax, because they were singling out one group for support. However, she also loathed taking fifteen thousand dollars out of the budget. She said it was not a lot of money; but at this stage, since there had been so much discussion up to that point,

she did not want to start changing what had been done. She said she was not making any requests to remove that. She said they should leave the budget the way they had struggled over it the last several months. However, she wanted it noted, because it was something that was a concern and should be discussed as they went into next year's budget.

Council Member Glassman said he knew everyone had worked long and hard on the budget and thanked the City Manager and City staff for doing a yeoman's job on the numbers, figuring out exactly where the City was going. He said he knew there had been some changes and he was a vocal advocate for some of the changes in the original proposal. He said the Mayor and Council heard about a rental tax that was going to fall on those who could least afford to pay any more taxes. He said he was still struggling, while there were some things he was very pleased with. They were able to reduce funding for some City departments, so they could operate more efficiently, and were able to protect, to a great extent, public safety; without eliminating positions.

Council Member Glassman said he was troubled by the fact that with the proposed budget, the net result would be that the City of Tucson would become the city in the State of Arizona with the highest bed and utility taxes of anywhere in the State. He referred to a memo he sent out asking the City Attorney about the legality of putting sunset clauses on the proposals. He said he truly felt that the type of community they were trying to build would be best served by becoming more business friendly, so more sales tax revenue could be generated; and becoming more neighbor friendly, so people wanted to be annexed, and the City could get a larger share of state-shared revenue. He said he did not think having the highest bed and utility taxes in Arizona represented long-term solutions to building a greater community.

Council Member Glassman said he wanted to make a friendly amendment to Vice Mayor Romero's motion because the proposed tentative budget assumed increases to the bed and utility tax. He said he understood those increases required ordinances for the amendments and believed the proposed increases should be temporary rather than permanent. He asked the Mayor and Council, as part of the motion, to direct staff that when the ordinances were brought forward for Mayor and Council consideration, that they include sunset provisions under which those tax increases would sunset on June 30, 2012.

Council Member Glassman said that would allow the City three years to continue to broaden revenue sources; three years to begin the prioritization process that many on the Council have talked about; and three years to see what the ramifications of having the highest bed and utility tax in the state had on the community.

Vice Mayor Romero stated she did not accept the friendly amendment made by Council Member Glassman.

Council Member Glassman made a substitute motion to include in the tentative budget the proposed sunsets, and asked the City Attorney for assistance in wording the motion.

Mr. Rankin said, as he understood it, the substitute motion was to pass and adopt Resolution 21291, with the condition that there be direction to staff that when the ordinances for the bed and utility taxes were presented to Mayor and Council, such ordinances include a sunset provision that they expire on June 30, 2012.

Mayor Walkup asked Council Member Glassman if that was the motion he desired to make.

Council Member Glassman said it was, stating that serious times called for serious action. He said he did not believe this was in the best long-term interest of the community, and wanted to see those taxes be temporary increases.

Council Member Leal asked Council Member Glassman if he wanted the City to go backwards in to a hole when they were starting to climb out of one.

Council Member Glassman responded negatively. He said he was looking for the Mayor and Council to fill the hole they had fallen into because of the economic crisis, with less than ideal solutions. He stated he felt they were short-term solutions that would have detrimental effects on one of the significant private sector employments the City had which was the hotel and lodging industry. He said by doubling the utility tax, it would make Tucson the most expensive utility tax in the State. Council Member Glassman said what he liked to see the City do was to help themselves get out of the hole in a timeline consistent with the projections of the state and federal government, which was a three-year timeline and at the end of the three years, the Mayor and Council could pick up their heads and determine where Tucson was as a community, and where they wanted to see Tucson go. Council Member Glassman said he thought the tax was a short term solution for a problem that would rebound, and believed it allowed the Mayor and Council time to continue to focus on finding different revenue sources and making Tucson more business friendly so that more businesses came to the community and more sales taxes could be generated.

Mayor Walkup asked for a second on the substitute motion.

Mayor Walkup stated there was no second to the substitute motion and deferred back to the original motion asking if there was any further discussion. Hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Uhlich, Scott, Leal, and Trasoff;
Vice Mayor Romero and Mayor Walkup

Nay: Council Member Glassman

Resolution 21291 was declared passed and adopted by a roll call vote of 6 to 1.

14. COMMUNITY SERVICES: COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FUNDING UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

Mayor Walkup announced City Manager's communication number 296, dated June 2, 2009, was received into and made part of the record. He asked the City Clerk to read Resolution 21301 by number and title only.

Resolution No. 21301 relating to public housing; approving and amendment to the Community Development Annual Action Plan for Fiscal Year 2009 to include supplemental appropriation for the Community Development Block Grant Program under the American Recovery and Reinvestment Act of 2009 (CDBG-R); authorizing and directing submittal of the amendment to the United States Department of Housing and Urban Development (HUD); and declaring an emergency.

It was moved by Council Member Glassman, duly seconded, to pass and adopt Resolution 21301.

Mayor Walkup asked if there was any discussion. Hearing none he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Glassman, Uhlich, Scott, Leal, and Trasoff; Vice Mayor Romero and Mayor Walkup

Nay: None

Resolution 21301 was declared passed and adopted by a roll call vote of 7 to 0.

15. APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS

Mayor Walkup announced City Manager's communication number 284, dated June 2, 2009, was received into and made a part of the record. He asked if there were any personal appointments to be made.

No appointments were made.

16. ADJOURNMENT: 9:36 p.m.

Mayor Walkup announced the next regularly scheduled meeting of the Mayor and Council would be held on Tuesday, June 9, 2009, at 5:30 p.m., in the Mayor and Council Chambers, City Hall, 255 West Alameda, Tucson, Arizona.

MAYOR

ATTEST:

CITY CLERK

CERTIFICATE OF AUTHENTICITY

I, the undersigned, have read the foregoing transcript of the meeting of the Mayor and Council of the City of Tucson, Arizona, held on the 2nd day of June 2009, and do hereby certify that it is an accurate transcription.

DEPUTY CITY CLERK

RWR:dsc:sac